(a) whether it is a fact that the quantum of credit from cooperative banks even to agriculture sector has shown significant decline over the years, as compared to significant rise in credit from commercial banks;

(b) whether Government have set any time-frame for implementation of suggestions in the Vaidyanathan panel report; and

(c) if so, the details along with present status of the implemenation thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. The quantum of credit extended to agriculture sector by cooperative banks and commercial banks has increased in absolute terms in last several years. However, growth rate achieved by commercial banks has been higher than that of cooperative banks as shown below:—

(Rs. in crore)

Agency	Item	Disbursements during		
		2002-03	2003-04	2004-05
Commercial Banks	Amt.	39774	52441	81481
	% Growth	18.4%	31.8%	55.4%
Cooperative Banks	Amt.	23636	26875	31231
	% Growth	0.04%	13.7%	16.6%

(b) and (c) After consulting the States on the recommendations of the Task Force on Short Term Co-operative Credit Structure, a revival package has been approved and sent to the State Government for acceptance. Those choosing to participate in the package will be entitled for financial assistance under the package if they agree through the mechanism of a formal MOU or exchange of letters with the Central Government, to implement (in a phased manner and within a period of 3 years), the legal and institutional reforms envisaged and share the financial package. States not ready to make the choice immediately will be given two years to take decision on this matter.

Involvement of banks in IPO Scam

†231. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

† Original notice of the question was received in Hindi.

(a) the names of banks found to be involved in the Initial Public Offering (IPO) scam;

(b) the action taken against the banks found guilty in the above scam;

(c) whether it is a fact that all system including that of SEBI have failed to free share markets from every kind of irregularity;

(d) if so, the additional steps Government are going to take to avoid the above said irregularity; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Reserve Bank of India (RBI), in exercise of powers vested in it under the provision of section 47 (A) (1) (b) of the Banking Regulation Act, 1949 has imposed monetary penalties on Bharat Overseas Bank, Indian Overseas Bank, Vijaya Bank, HDFC bank, ICICI Bank Ltd., Citibank & Standard Chartered Bank found guilty of violating RBI guidelines and for misusing the IPO process in the first round of investigations.

(c) to (e) No, Sir. The irregularities detected by SEBI/RBI are not due to systemic failure, but have been due to non-adherence of various guidelines by the intermediaries involved. However, SEBI has issued appropriate directions to the depositories *i.e.* National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to prevent such irregularities. RBI has also advised banks to undertake an internal review of IPO funding system and to examine the relative systems and controls in place and take immediate corrective actions. RBI has also undertaken a comprehensive scrutiny of the process of internal control of the banks involved for taking required corrective action in the matter.

IPO scam

232. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have unearthed IPO scam with fictitious demat accounts;

(b) if so, the details thereof;